

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
October 14, 2005  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Friday, October 14, 2005 Regular Meeting of the Illinois Gaming Board (“Board”) was held in the conference room of the Gaming Board Offices on the 3<sup>rd</sup> floor at 160 N. LaSalle for closed session.

The following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, Joseph Moore, Eugene Winkler, and James Sullivan.

The meeting convened at 9:45 A.M.

The Board convened its Open session at 1:50 P.M.

Chairman’s Report

Chairman Jaffe announced that Representative Lou Lang was present to appear before the Board. Chairman Jaffe stated that Representative Lang works with legislation surrounding gaming in the State of Illinois. Chairman Jaffe stated that Representative Lang had been the sponsor for the Board’s House Bill for independence.

Board Policy Items

Representative Lou Lang was present to discuss his view of the history of gaming in Illinois.

Chairman Jaffe stated that the legislature passed a budget last year for the Gaming Board, which is less than “bare bones.” Chairman Jaffe stated that the Board has had a difficult time getting additional staff. Chairman Jaffe stated that the Board needs more agents on the casinos. Chairman Jaffe stated that the Board only has three lawyers on staff and is also in need of additional auditors. Chairman Jaffe stated that every agency of government expresses their support, but saying they support the Board is not enough. Chairman Jaffe stated that those agencies are going to have to step up and give the Board the ability to regulate the industry. Chairman Jaffe stated that as long as the Board does not have the bodies to regulate the industry, the Board is doing a disservice to the industry and the people of the State of Illinois.

Representative Lang stated that he would do his best to be helpful. Representative Lang stated that there a lots of agencies that spend a lot of money, but this Board oversees the bringing in of a lot of money and to not have the staff that it needs to carry out its function is simply wrong.

## Administrator's Report

Interim Administrator Tamayo announced that the Board would conduct its next meeting in Rock Island on October 18<sup>th</sup> and would take a tour of Casino Rock Island, the proposed new site, the Big River Conservancy project and on October 19<sup>th</sup> would tour the Par-A-Dice Casino in East Peoria.

Interim Administrator Tamayo announced that the November 10, 2005 meeting has been rescheduled to November 4, 2005.

Interim Administrator Tamayo announced that Jacquelin Bernadine, who is the audit supervisor, has announced her resignation from the Board after many years of service. Interim Administrator Tamayo stated that all Staff would sorely miss Ms. Bernadine. Interim Administrator Tamayo stated that Ms. Bernadine has been invaluable in helping to maintain the integrity of audits of the casinos.

Interim Administrator Tamayo stated that Staff has been working with the Social Investment Policy with Member Moore.

Member Moore stated that the Gaming Board considers the many components of the Social Investment Strategy very important. Member Moore provided the public and owner licensees with the components of the Social Investment Policy, which included (1) employee based diversity plan, (2) community outreach plan, (3) employee volunteer program, (4) supplier diversity plan, (5) partnering up with local colleges to provide job opportunities or internships, and (6) employee tuition reimbursement.

Gene O'Shea, Acting Self-Exclusion Program Director, provided the Board with an update on the Self-Exclusion Program. Mr. O'Shea stated that there are currently 2,808 persons enrolled in the Self-Exclusion Program. Mr. O'Shea stated that there has been 396 incidents where people have returned to the casinos after being self-excluded resulting in 70 arrests. Mr. O'Shea reported that there are two new enrollment sites. Mr. O'Shea stated that there are now 25 sites throughout the State of Illinois.

## Owner Licensee Items

Casino Queen- Request to Relocate off of Mississippi River – Tom Monahagn, General Manager, and Jeff Watson, General Counsel, were present on behalf of Casino Queen to request to relocate off of the Mississippi River.

Based on the staff's investigation and recommendation, Member Moore moved that **the Board approve the Request by Casino Queen to Relocate off of the Mississippi River to a location in the Southwest portion of its current parking facility as described in its September 19, 2005 request for final approval.** Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

Hollywood Casino – License Renewal – Rodney Phillipe, General Counsel, and Pat Medchill, General Manager, were present on behalf of Hollywood Casino to request approval for license renewal.

Member Winkler expressed his concerns in the lack of involvement that Hollywood Casino has in the surrounding communities and the small donations made to charitable organizations. Member Winkler stated that the dollar amount of donations made to the community is ridiculous considering the profits that the Hollywood Casino makes.

Mr. Medchill stated that the information that the Board has does not include all of the spending that is done at the end of the year. Mr. Medchill stated that Hollywood's budget is and always has been for approximately \$200,000, and Hollywood plans to meet that budget by the end of the year. Mr. Medchill stated that the donations that Member Winkler is referring to are only Hollywood's cash contributions. Mr. Medchill stated that there are many other things that Hollywood participates in. Mr. Medchill stated that he believes that Hollywood is the largest contributor in the City of Aurora.

Based on the staff's investigation and recommendation, Member Gardner moved that **the Board approve the renewal of the Owner's License of Hollywood Casino – Aurora, Inc. for a term of 2 years commencing retroactively to December 2004, expiring on December 31, 2006. I move that the Board impose the following conditions:**

- 1. Until further notice HCA shall submit to the Administrator monthly affidavits, which confirm that HCA has downloaded any additions and or corrections from the Illinois Gaming Board and that these additions and corrections have been incorporated into HCA's master in house self-exclusion list and that all-relevant departments within HCA have a copy of the updated self-exclusion list.**
- 2. HCA is required to submit to the Administrator documentation of the retraining of managers on incidents of hostile work environment. In addition, HCA is required to submit quarterly reports regarding incidents of hostile work environment and reports of manager and employee dating relationships.**
- 3. HCA will ensure adequate representation of females and minority persons at all levels, including at the senior management level, to reflect the diversity of the communities in which it operates.**
- 4. Within 60 days, HCA shall provide a comprehensive social investment plan that is approved by the Board.**

**5. HCA will report to the Illinois Gaming Board on a quarterly basis on the progress of its social investment plan until further notice.**

**Further, the Board designates and approves the following entities, positions, and persons as Key Persons:**

- 1. Penn National Gaming, Inc.;**
- 2. Argosy Gaming Company, Inc.;**
- 3. Director(s) of Alton Gaming Company;**
- 4. Director(s) of Empress Casino Joliet Corporation;**
- 5. President of Alton Gaming Company;**
- 6. President of Empress Casino Joliet Corporation;**
- 7. Executive Vice President of Operations of Penn National Gaming;**
- 8. Regional Director/Internal Audit – Midwest Region;**
- 9. Peter M. Carlino;**
- 10. Kevin G. DeSanctis; and**
- 11. Leonard M. DeAngelo.**

Member Moore seconded the motion. The Board approved the motion unanimously by voice vote.

Hollywood Casino –Aurora, Inc. - Rochelle G. Manolo, Internal Auditor – Level One – Rodney Phillipe, Attorney, and Ms. Manolo were present to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Winkler moved that **the Board approve Rochelle G. Manolo as a Level 1 Occupational Licensee of Hollywood Casino – Aurora, Inc.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

Harrah's Casino Joliet – Joseph A. Domenico, Senior Vice President and General Manager – Level One – Tom Thanas, Attorney, and Joseph A. Domenico were present to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Winkler moved that **the Board approve Joseph A. Domenico as a Level 1 Occupational Licensee of Harrah's Casino Joliet.** Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

Harrah's Casino Joliet – Darren E. Vandover, Vice President of Operations – Level One – Mr. Vandover was present on behalf of himself to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Winkler moved that **the Board approve Darren E. Vandover as a Level 1 Occupational Licensee of**

**Harrah's Casino Joliet.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

Member Moore inquired about the number of Level One positions at Harrah's Casino. Tom Thanas, Attorney, stated that he believes that Harrah's has approximately seven Level One positions. Member Moore asked if minorities filled any of the Level One positions. Mr. Thanas stated that none of the Level One positions are filled by minorities at Harrah's Joliet.

Harrah's Casino Joliet – Timothy W. Bryant, Vice President of Finance & Administration – Level One - Mr. Bryant was present on behalf of himself to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Winkler moved that **the Board approve Timothy W. Bryant as a Level 1 Occupational Licensee of Harrah's Casino Joliet.** Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

Harrah's Casino Joliet – Michael C. Ashum Jr., Senior Auditor – Level One – Tom Thanas, Attorney, was present on behalf of Mr. Ashum to request approval as a Level One.

Based on a review of the staff's investigation and recommendation, Member Winkler moved that **the Board approve Michael C. Ashum as a Level 1 Occupational Licensee of Harrah's Casino Joliet.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

Member Gardner stated that he supports his fellow Board members and their concerns regarding Harrah's Level One management and its lack of diversity.

#### Supplier Licensee Item

Osborne Coinage Company – License Renewal – Thomas Stegman, CFO of Osborne Coinage Company was present to request approval for license renewal.

Based on the staff's investigation and recommendation, Member Gardner moved that **the Board approve the Supplier's license of Osborne Coinage Company for a term of 4 years commencing retroactively to December 2004.**

**Osborne Coinage Company is granted approval to provide the following gaming equipment to Illinois licensees:**

- 1. Slot Tokens;**
- 2. IDX Coin Acceptors; and**
- 3. Table Game Chips.**

Further, based on the staff's investigation and recommendation, Member Gardner moved that **the Board certify and approve the following positions and people as Key Persons of the licensee:**

1. **President;**
2. **Chief Executive Officer;**
3. **Thomas E. Stegman;**
4. **Jeffrey J. Stegman; and**
5. **Todd R. Stegman.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

#### Occupational Licenses Approvals & Denials

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve 31 applications for an Occupational License, Level 2, and 162 applications for an Occupational License, Level 3.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

#### Proposed Complaints and Disciplinary Actions

- Angela Elmore, Security Guard

Based on the staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Angela Elmore, a Level 2 Occupational Licensee, for failing to comply with the Illinois Riverboat Gambling Act and the Board's Adopted Rules in relation to her conviction for Obstructing a Peace Officer.**

Further, Member Sullivan moved that **the Board revoke Ms. Elmore's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.** Member Moore seconded the motion. The Board approved the motion unanimously by voice vote.

#### Administrative Hearing/ALJ Reports

- In Re The Disciplinary Action of Emerald Casino, Inc., DC-01-05 and In Re in The Matter of the Denial of the Renewal of the Owner's License of Emerald Casino, Inc., GL-01-01 - Motion to Disqualify ALJ Abner Mikva

Member Gardner moved that **the Board deny Emerald Casino, Inc.'s Motion to Disqualify Administrative Law Judge, Abner J. Mikva and issue a written order consistent therewith.** Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote.

### Public Commentary

Langdon D. Neal, Neal & Leroy, LLC was present to represent the statutory minority investors. Mr. Neal read a prepared statement regarding the statutory applicants and their position in protecting their interests by pursuing various legal options during the bankruptcy proceedings. Mr. Neal stated that the position of the statutory applicants has been consistent in that the 10<sup>th</sup> license should be transferred to a new ownership group in a location acceptable to the Board. Mr. Neal respectfully suggested that it is in the interest of all citizens of the State of Illinois that the Board act promptly to sell the license and allow it to be used to produce critically needed revenue.

### Board Policy Items (cont.)

Proposed Rulemaking: Digital Surveillance – Interim Administrator Tamayo stated that Staff would be sharing the digital surveillance proposed language with the owner licensees in a draft form and would then come back to the Board for a vote before it is filed with the Secretary of State.

At 3:15 P.M. Member Winkler moved that the Board reconvene into Closed session. Member Gardner seconded the motion. The Board approved the motion unanimously by voice vote.

The Board adjourned at 3:40 P.M.

Respectfully submitted,  
Monica Thomas

Secretary to the Board